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Effective: May 16, 2002

PICK-4 GAME RULES

(FOUR DIGIT SELECT YOUR OWN NUMBERS DAILY LOTTERY)

The following rules have been adopted by the State Lottery Commission pursuant to the authorization contained in N.J.S.A. 5:9-7 and shall govern the operation of "Pick-4," four digit select your own numbers Lottery. This lottery will commence on a date to be announced by the Director of the Division of the State Lottery ("Director"). The rules are:

1. The four digit select your own numbers or the computer randomly assigned four (4) numbers (Quick Four) lottery shall be called "Pick-4," and all lottery tickets issued for this game shall be clearly identified with the name of the game.
2. "Pick-4" tickets will be sold every day during the normal business hours of the agents authorized to sell said tickets. The sale period for any given "Pick-4" lottery date will terminate on the date of the drawing at a time to be determined by the Director of the State Lottery ("Director").
3. Lottery tickets for "Pick-4" will be available only from certain lottery agents who have been selected by the Director.
4. The selected agents will have on their business premises an agent-operated, on-line machine and shall prominently display the machine and a poster or other advertisement stating that they sell tickets for the "Pick-4" lottery. As a prerequisite for obtaining the machine, each agent shall have installed a communications link to the Lottery's central computer. Unless otherwise determined by the Director, the agent shall be responsible for the cost of installing the communications link, which shall be in form and specifications as determined by the Director.
5. The agent-operated, on-line machine will sell tickets for the "Pick-6 (Lotto)," the "Pick-3," the "Pick-4" "Jersey Cash 5," "MEGA MILLIONS" and "LOTZEE" lotteries. The agents having this type of machine will be required to operate the machine for purposes of the issuance of all lottery tickets and shall be required to provide certain specified services relating to the upkeep of the machine and the reporting of lottery sales. All agents are required to have on deposit in their lottery bank account, no later than the close of their bank business day each Thursday, gross sales receipts less commission and cash prizes paid out for the previous sales week ending Wednesday. In case of deficiencies in Electronic Funds Transfer (EFT), the Director may debit the agent's account \$25.00 per EFT failure. Agents will receive a commission equal to 5% of gross sales. In addition, all agents paying out cash prizes up to \$599.50 shall receive a commission equal

to 1.25% of the money paid out in prizes. Agent commissions and bonuses (if any) may be offset, at the Director's discretion, against monies due from the agent to the Lottery; in such cases, if applicable, a net payment will be made to the agent. All data regarding agents' sales and compensation shall be kept confidential by the Lottery, except for income tax reporting required by law. The agent-operated, on-line machines will have the capacity to:

- a. Handle advance sales, up to one week, for on-line types of lotteries as applicable.
 - b. Issue "Pick-4" tickets for \$.50 and in multiples of \$.50 up to \$5.00.
 - c. Issue "Pick-4" tickets whereby the computer randomly assigns four numbers to the player (Quick-Four).
 - d. Cancel "Pick-4" tickets issued in error. The agent must retain any canceled bet transaction(s) for a 13-month period. Failure to do so will expose the agent to liability for the full sales price of the canceled bet or bets, plus reimbursement (if any) to holders of "winning" tickets pursuant to N.J.A.C. 17:20-6.4(b). No commissions are payable on canceled bets.
 - e. Validate all "Pick-4" tickets for a period of one (1) year from the date of drawing. Tickets redeemed by agents are to be destroyed and properly disposed. Failure to do so will expose the agent to liability for restitution.
6. The selection of the winning four-digit number for the "Pick-4" lottery will be held twice each day, seven days a week, Monday through Sunday immediately following the drawing of the present "Pick-3" lottery. Such drawings will not be held on Christmas Day. The drawings will take place at a location and time prescribed by the Director and all drawings will be open to the public.
7. The winning four-digit number will be randomly generated by mechanical means. The precise drawing procedure will be determined by the Director.
8. The type of bets and amount of prizes for the "Pick-4" lottery shall be determined as follows:
 - a. **Straight Bet**
Any combination of four digits will become a winner only if the selected number matches, digit for digit, in the sequence, the winning number drawn.
 - b. **24-Way (Box) Combination Bets**
Any combination of four digits will become a winner if the selected number matches, digit for digit, in any sequence, the winning number drawn. For example, if the winning number is 1234, then (box) combination bets placed on any of the following will be winners.

1234 1324 1423
1243 1342 1432

2134 2314 2413
2143 2341 2431

3124 3214 3412
3142 3241 3421

4123 4213 4312
4132 4231 4321

c. Box (12-Way) Combination Bets

Any combination of four digits, two of which are the same, will become a winner if selected number matches, digit for digit, in any sequence the winning number drawn. For example, if the winning number is 1123, then combination (box) bets placed on any of the following will be winners.

1123 1312 2311

1132 1321 3112

1213 2113 3121

1231 2131 3211

d. Box (6-Way) Combination Bets

Any combination of four digits, of which there are two identical pairs of digits, will become a winner only if the selected number matches, digit for digit, in any sequence, the winning number drawn.

For example, if the winning number is 1122, then combination (box) bets placed on any of the following will be winners:

1122 1212 2121

1221 2112 2211

e. Box (4-Way) Combination Bets

Any combination of four digits, three of which are the same, will become a winner if the selected number matches, digit for digit, in any sequence, the winning number drawn.

For example, if the winning number is 1112, then combination (box) bets placed on any of the following will be winners:

1112 1211

1121 2111

- f. The computer will not issue or accept box bets for numbers with four identical digits (0000, 1111, etc.). On "Quick Four" box bets the pool of available numbers will be reduced by the non-inclusion of such combinations which, however, will be available for "Quick Four" straight bets.
- 9. The amount of the prizes to be given for the "Pick-4" lottery shall be determined in accordance with the following rules:
 - a. The prize pool will be equal to 50% of the total amount of all the bets placed for said lottery drawing.
 - b. The amount of the prize pool may be supplemented by proceeds from the unclaimed prize reserve or any part thereof for purposes of increasing the pari-mutuel prize awards at such times and in such a manner as the Director shall determine. The unclaimed prize reserve will be credited an amount equal to a maximum of 70% of the daily prize obligation forfeitures. Prize obligation forfeitures are defined as that portion of game prizes which after one year from the drawing date or game closing (end date) are unclaimed by players. The New Jersey State Lottery Controller shall maintain a daily record of unclaimed prizes and provide such information to the Director at least monthly. It shall be the responsibility of the Director to report such information to the New Jersey State Lottery Commission. Any portion of the unclaimed prize reserve may at any time be treated as net proceeds for allocation to the State General Fund as aid to State institutions and education. At no time shall the unclaimed prize reserve be utilized inconsistently with the 30% minimum contribution requirement of the State Lottery Law.
 - c. The amount of money in the prize pool shall be divided among the winners in accordance with the pari-mutuel formula. 24-way box bet winners will receive one-twenty-fourth of the straight bet prize. 12-way box bet winners will receive one-twelfth of the straight bet prize. 6-way box bet winners will receive one-sixth of the straight bet prize. 4-way box bet winners will receive one-fourth of the straight bet prize.
 - d. Pari-mutuel Formula
 - i. Each 50¢ bet shall be considered to be a single share and bets for larger amounts shall be divided into 50¢ bets; e.g., a \$2.00 winning ticket will be four shares.
 - ii. A straight winning bet, hereinafter, called "V", shall be a full share and shall be entitled to a full prize share for each 50¢ of the ticket value as defined in paragraph 9(c).
 - iii. A 24-way box winning bet, hereinafter called "W", shall be one-twenty-fourth of a share and shall be entitled to one-twenty fourth

of the prize share for each 50¢ of the ticket value as defined in paragraph 9(c).

- iv. A 12-way box winning bet, hereinafter called "X", shall be one-twelfth of a share and shall be entitled to one-twelfth of the prize share for each 50¢ of the ticket value as defined in paragraph 9(c).
- v. A 6-way box winning bet, hereinafter called "Y", shall be one-sixth of a share and shall be entitled to one-sixth of the prize share for each 50¢ of the ticket value as defined in paragraph 9(c).
- vi. A 4-way box winning bet, hereinafter called "Z", shall be one-fourth of a share and shall be entitled to one-fourth of the prize share for each 50¢ of the ticket value as defined in paragraph 9(c).
- vii. The prize unit will be rounded down to 50¢.
- viii. Formula for prize determinations:

A. 24-Way Box

Straight = V
 24 Way Box = W

$$\frac{\text{Prize Share}}{\text{Share}} = \frac{\text{Prize Pool}}{V(1) + W(1/24)}$$

$$\frac{\text{Straight Bet Prize}}{\text{Bet Prize}} = \frac{(\text{Prize Share}) (\text{Rounded Down x Amount Wagered to } 50¢)}{50¢}$$

$$\frac{\text{Box Bet}}{\text{Bet}} = \frac{(\text{Prize Share}) (\text{Rounded Down x Amount Wagered 24 to } 50¢)}{50¢}$$

Example:

Assume: Prize Pool of 50,000 and the following winning bets represented in 50¢ shares: 150 straight, and 240 box

$$\frac{\text{Prize Share}}{\text{Share}} = \frac{50,000}{150 + 240(1/24)} = \frac{50,000}{150 + 10} = \frac{50,000}{160} = \$312.50$$

$$\text{Straight Bet Prize} = \$312.50 = \$312.50 \text{ per each } 50¢ \text{ bet}$$

$$\text{Box Bet} = \frac{\$312.50}{24} = \$13.02 = \$13.00$$

B. 12-Way Box

Straight = V

12 Way Box = X

$$\frac{\text{Prize}}{\text{Share}} = \frac{\text{Prize Pool}}{V(1) + X(1/12)}$$

$$\frac{\text{Straight}}{\text{Bet Prize}} = \frac{(\text{Prize Share}) (\text{Rounded Down x Amount Wagered to } 50\text{¢})}{50\text{¢}}$$

$$\frac{\text{Box}}{\text{Bet}} = \frac{(\text{Prize Share}) (\text{Rounded Down x Amount Wagered to } 50\text{¢})}{12 \quad 50\text{¢}}$$

Example:

Assume: Prize Pool of 50,000 and the following winning bets represented in 50¢ shares: 150 straight, and 240 box

$$\frac{\text{Prize}}{\text{Share}} = \frac{50,000}{150 + 240(1/12)} = \frac{50,000}{150 + 20} = \frac{50,000}{170} = \$294.12$$

$$\text{Straight Bet Prize} = \$294.12 = \$294.00 \text{ per each } 50\text{¢ bet}$$

$$\text{Box Bet} = \frac{\$294.12}{12} = \$24.51 = \$24.50$$

C. 6-Way Box

Straight = V

6 Way Box = Y

$$\frac{\text{Prize}}{\text{Share}} = \frac{\text{Prize Pool}}{V(1) + Y(1/6)}$$

$$\frac{\text{Straight}}{\text{Bet Prize}} = \frac{(\text{Prize Share}) (\text{Rounded Down x Amount Wagered to } 50\text{¢})}{50\text{¢}}$$

$$\frac{\text{Box}}{\text{Bet}} = \frac{(\text{Prize Share}) (\text{Rounded Down x Amount Wagered to } 50\text{¢})}{6 \quad 50\text{¢}}$$

Example:

Assume: Prize Pool of 50,000 and the following winning bets represented in 50¢ shares: 150 straight, and 240 box

$$\begin{array}{l} \text{Prize} \\ \text{Share} \end{array} = \frac{50,000}{150 + 240 (1/6)} = \frac{50,000}{150 + 40} = \frac{50,000}{190} = \$263.15$$

$$\text{Straight Bet Prize} = \$263.15 = \$263.00 \text{ per each } 50\text{¢} \text{ bet}$$

$$\text{Box Bet} = \frac{\$263.15}{6} = \$43.85 = \$43.50$$

D. 4-Way Box

$$\text{Straight} = V$$

$$6 \text{ Way Box} = Z$$

$$\begin{array}{l} \text{Prize} \\ \text{Share} \end{array} = \frac{\text{Prize Pool}}{V(1) + Z (1/4)}$$

$$\begin{array}{l} \text{Straight} \\ \text{Bet Prize} \end{array} = \frac{(\text{Prize Share}) (\text{Rounded Down x Amount Wagered to } 50\text{¢})}{50\text{¢}}$$

$$\begin{array}{l} \text{Box} \\ \text{Bet} \end{array} = \frac{(\text{Prize Share}) (\text{Rounded Down x Amount Wagered to } 50\text{¢})}{4 \quad 50\text{¢}}$$

Example:

Assume: Prize Pool of 50,000 and the following winning bets represented in 50¢ shares: 150 straight, and 240 box

$$\begin{array}{l} \text{Prize} \\ \text{Share} \end{array} = \frac{50,000}{150 + 240 (1/4)} = \frac{50,000}{150 + 60} = \frac{50,000}{210} = \$238.10$$

$$\text{Straight Bet Prize} = \$238.10 = \$238.00 \text{ per each } 50\text{¢} \text{ bet}$$

$$\text{Box Bet} = \frac{\$238.10}{4} = \$59.52 = \$59.50$$

- e. The minimum prize for the "Pick-4" lottery for any type of bet for any given drawing shall be one dollar (50¢ over the unit bet). The amount of the breakage (amount received as a result of round down to 50¢) will be set aside in a separate fund which will be used for purposes of increasing the pari-mutuel prize awards, at such time and in such manner as the Director shall determine.
- f. If no straight bets are placed on the winning numbers for a given draw, that share of the prize pool will be disbursed to box winners.

- g. If no bets are placed on the winning number, or any combinations thereof, as drawn for any "Pick-4" lottery drawing, the money in the pool shall be added to the next "Pick-4" lottery pool.

10. The holder of a winning ticket for the "Pick-4" lottery can take said ticket to any agent having an agent-operated, on-line machine for validation. If said winning ticket entitles the holder to a prize of \$599.50 or less, said prize will be paid by the agent upon presentation and validation of the ticket. If the winning ticket entitles the holder to a prize that is more than \$599.50, the agent shall validate the winning ticket, after the claimant signs it. The claimant shall fill in the top portion of the claim form, the agent must fill in the ticket information portion of the claim form. Both the claimant and the agent sign the claim form. The original copy of the claim form with the bet ticket and validation receipt attached is mailed by the claimant to Lottery Headquarters in the claim form mailer envelope. Once a ticket and claim form is received at Lottery Headquarters and validated, it will not be returned to the winner, but will be retained by the New Jersey State Lottery and the payment will be processed. The winner will retain a copy of the claim form prior to mailing to Lottery Headquarters. All prizes in excess of \$5,000.00 will be subject to federal withholding at the prevailing tax rate.

11. Liability of New Jersey State Lottery

- a. The liability of the State Lottery for tickets printed or produced in error by the vendor or for defective tickets shall be limited to the replacement of the defective ticket with another unplayed ticket by the agent or reimbursement of the holder at the retail sale price of the ticket by the Lottery.
- b. All winners, tickets, and transactions are subject to New Jersey State Lottery rules and regulations and State Law. All prize awards are subject to claim procedures, validation tests, and other applicable requirements of the New Jersey State Lottery.

Tickets are void if:

- i. Stolen, unissued, unreadable, mutilated, altered, counterfeit in whole or in part, miscut, multiply-printed, defective, printed or produced in error, or blank or partially blank.
- ii. Printing is irregular.
- iii. Apparent or asserted symbols are not confirmed by validation number.
- iv. The ticket fails any of the Lottery's other validation tests.

12. Any ticket and claim form sent to the Lottery for payment processing or as an inquiry, becomes the property of the New Jersey Lottery. The ticket and claim form will not be returned to the claimant.
13. All persons holding winning tickets must file a claim for a prize within one year after the date of the drawing. One year means the anniversary of the date of the draw unless the draw date is February 29th in which case the anniversary is considered to be March 1st. All claims submitted beyond the one-year period are not eligible for prize awards. Except as herein provided, all rules and regulations of the Lottery Commission shall govern the operation of the "Pick-4" lottery. All determinations of winners shall be made by the Director whose judgment shall be final.